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DEPARTMENT PLEASE PASS TO NSC FOR ADAM STERLING

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SUBJECT: THE QUEST FOR THE CENTER: THE MDF SETS ITS SIGHTS
ON CONTROLLING THE NEXT COALITION

Classified By: P/E COUNSELOR ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

¶1. (C) The opposition Hungarian Democratic Forum (MDF) reelected party leader Dr. Ibolya David in a well-organized event March 11. Receiving over 80% of the vote for her fifth term - but not the three-year mandate she had reportedly sought - David set the party's goal as 10% of the vote in the next elections so that "no government can be formed without us." In a strong speech, David criticized both the Gyurcsany government's record of "incompetence" and the "mirage of populism" put forth by FIDESZ leader Viktor Orban, outlining a platform based on combatting corruption, protecting the middle class, and ensuring fiscal responsibility. She will arrive in the U.S. on a trip later this month with a unified party, widespread personal popularity, and a degree of momentum as she stakes out the middle ground in the Hungarian body politic.

GOVERNANCE AS THE GOAL

¶2. (C) Dr. David's acceptance speech for her fifth term as party leader highlighted the MDF's party congress March 11. Following an address by Bela Marko, leader of Romania's ethnic Hungarian RMDS party, David set the party's goal as the ability to ensure control over any future coalition government. Citing recent polling showing support for the party approaching 10% - twice its share of the vote in the 2006 elections - David described the party as Hungary's "active alternative." She urged the party to use the years before the 2010 elections to demonstrate its "fitness to govern."

BOTH PARTIES AS THE OBSTACLE

¶3. (C) Starkly warning that Hungary could "move into Europe or move toward the Balkans," David called for responsibility, consistency, and credibility to "rise above the lowest common denominator" and to overcome public apathy with the political class. She blamed both the government's "wasteful utopianism" and FIDESZ's "cul-de-sac of rejection" for the current gridlock, stating the MDF's willingness to "be cooperative" but underscoring its insistence on "remaining unaligned" in order to follow its principles.

¶4. (C) Consistent with its slogan, "the Middle Class' Party," Dr. David accused both the government and the opposition of engaging in "financial sorcery" and ultimately abandoning the average Hungarian. She called for immediate steps including a broader but simpler tax system to restore Hungary's "international credibility." She pressed hard for investment in education and renewable energy, and called for the formation of a special office to investigate public sector corruption, particularly in party financing.

AIMING HIGH

15. (C) Comment: The MDF is riding high and aiming even higher. Recent polls show a conservative trend among younger Hungarians, and the party feels confident that it can translate its popularity into electoral advances in 2010. Substantively, the MDF is identifying the key issues; stylistically, Dr. David remains among the most popular national political figures. That said, the party's bench is extremely thin, and its national structure is still recovering from widespread defections to FIDESZ in a furious scramble during the 2006 national elections. Moreover, the system she is criticizing offers enormous advantages to the largest parties, and she is betting that frustration with both Gyurcsany and Orban will lead voters toward the middle rather than the extremes. She will arrive in the U.S. in April for meetings with USG officials and ethnic Hungarian groups, and we believe she is well worth meeting. End Comment.

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